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ORIGIN NEA-10

INFO OCT-01 ISO-00 USIE-00 SSO-00 NSCE-00 INRE-00 CIAE-00

DODE-00 INR-05 NSAE-00 PA-01 RSC-01 PRS-01 SP-02

AID-05 EB-07 INT-05 OES-03 FEA-01 SS-15 NSC-05 IO-10

/072 R

DRAFTED BY NEA/INS:RDLORTON:MMK

APPROVED BY NEA/INS:DKUX

NEA/P:GSHERMAN (INFO)

USIA/INA:CSNOW (INFO)

----- 034131

O R 292256Z NOV 74

FM SECSTATE WASHDC

TO AMEMBASSY KATHMANDU IMMEDIATE

INFO AMEMBASSY NEW DELHI

AMCONSUL CALCUTTA

AMEMBASSY DACCA

AMEMBASSY ISLAMABAD

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E.O.11652:N/A(DECONTROL ON RECEIPT)

TAGS:ENRG, PFOR, NP, XD

SUBJECT:SIMONS ARTICLE ON INDO-NEPAL WATER PROBLEMS

1. FOLLOWING IS TEXT NOVEMBER 28 LEWIS SIMONS
WASHINGTON POST ARTICLE HEADLINED "INDIA-NEPAL QUARRELS
THWART IMPORTANT WATER PROJECTS" (P. A15):

2. QUOTE: KATHMANDU--THE HIMALAYAS KEEP NEPAL POOR.
VAST, FORBIDDING, THEIR ROCKY PEAKS COVERED YEAR-ROUND
WITH SNOW AND ICE, THESE HIGHEST PEAKS IN THE WORLD MAKE
MOST OF THE LITTLE KINGDOM ALL BUT INACCESSIBLE, FORCING
ITS 12 MILLION INHABITANTS TO LIVE AT SUBSISTENCE LEVEL.

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3. YET, THROUGH THESE SAME HIMALAYAS, WHICH MEANS

"ABODE OF SNOW," GUSHES A VAST POTENTIAL SOURCE OF GREAT WEALTH FOR NEPAL - WATER, FOR HYDROELECTRIC POWER AND FOR FARM IRRIGATION.

4. AND THERE'S AN ENORMOUS MARKET FOR NEPAL'S WATER. ALL OF PERENNIAL DROUGHT-STRICKEN NORTHERN INDIA, HUGGING NEPAL'S SOUTHERN TIER, COULD BE WATERED AND POWERED BY HARNESSING THE HIMALAYAN BOUNTY, EXPERTS SAY. KNOWING THIS, NEPAL'S KING BIRENDRA BIR BIKRAM SHAH DEV IS TRYING DESPERATELY TO DEVELOP AND EXPLOIT WHAT WOULD BE HIS KINGDOM'S ONLY MAJOR RESOURCE.

5. "OUR SNOW-CAPPED MOUNTAINS GIVE US PERENNIAL SOURCES OF WATER WHICH, IF TAPPED, CAN PRODUCE POWER NO LESS THAN THE SANDS OF THE ARABIAN DESERT," THE YOUNG RULER SAID IN A RECENT INTERVIEW.

6. THOUGH A BIT FLORID IN HIS PROSE, THE KING WAS EXPRESSING A VIEW SHARED BY A NUMBER OF WESTERN-TRAINED TECHNOCRATS IN HIS GOVERNMENT AS WELL AS FOREIGN EXPERTS WHO HAVE MADE DETAILED STUDIES OF NEPAL'S WATER POWER POTENTIAL.

7. "IN ANY FUTURE VISION OF NEPAL, IN MY OPINION, OUR WATER POWER WILL OCCUPY OUR MAJOR FOCUS AND ATTENTION," BIRENDRA SAID. "I REALLY FEEL THAT THE EXPLOITATION OF OUR WATER RESOURCES HOLDS THE KEY TO OUR FUTURE."

8. BUT THE PROMISE OF ARABIAN-STYLE WEALTH FOR NEPAL IS PROVING ELUSIVE. THE REASON IS FAR MORE POLITICAL THAN TECHNICAL.

9. DEPENDING UPON WHO IS MAKING THE ANALYSIS, EITHER THE NEPALESE THEMSELVES OR THE INDIANS ARE TO BLAME. MORE LIKELY, THE BLAME MUST BE SHARED. THEN THERE IS THE PROBLEM OF MONEY.

10. THE KING SUMMED IT UP: "WE LACK EXPERIENCE AND EXPERTISE, BOTH TECHNICAL AND ADMINISTRATIVE," HE SAID. "WE ALSO NEED FUNDS IN LARGE QUANTITIES AND A SUITABLE LIMITED OFFICIAL USE

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CLIMATE OF PEACE AND UNDERSTANDING WITHIN AND OUTSIDE OF OUR KINGDOM."

11. PEACE, IN THE KING'S USAGE, DOES NOT MEAN JUST THE ABSENCE OF WAR, BUT THE REMOVAL OF POLITICAL IRRITANTS BETWEEN NEPAL AND INDIA. THE RELATIONSHIP BETWEEN THE TWO NEIGHBORS HAS BEEN PLAGUED FOR YEARS BY A SERIES OF QUARRELS. FEW OF THESE HAVE EVER BEEN

PROPERLY SETTLED. INSTEAD, THEY HAVE BEEN BURIED AND CONTINUE TO RISE TO THE SURFACE.

12. BECAUSE OF THIS CONTINUING TENSION, BOTH INDIA AND NEPAL HAVE CUT OFF THEIR NOSES TO SPITE THEIR FACES IN TERMS OF WATER AND ELECTRICAL POWER. TO AN OUTSIDER, THE PROBLEM SEEMS SO SIMPLE AS TO BE NO PROBLEM AT ALL.

13. INDIA, ALWAYS HUNGRY, ALWAYS DRY, NEEDS WATER FOR ITS FIELDS AND POWER FOR ITS FACTORIES. NEPAL, THE ONLY COUNTRY IN SOUTH ASIA WITH A REGULAR SURPLUS OF FOOD, HAS MORE WATER THAN IT COULD EVER USE. SO WHY

DOESN'T NEPAL HARNESS ITS WATER POWER, DAM ITS RIVER NETWORK, INSTALL GENERATORS AND SELL ITS VITAL PRODUCT TO INDIA?

14. THE ANSWERS ARE EASY TO PINPOINT BUT DIFFICULT TO RESOLVE. THE CASE OF THE KARNALI RIVER, WHICH SNAKES THROUGH WESTERN NEPAL INTO THE BONE-DRY PLAINS OF THE INDIAN STATE OF UTTAR PRADESH, IS AN EXCELLENT ILLUSTRATION.

15. EIGHT YEARS AGO, THE UNITED NATIONS DID A FEASIBILITY STUDY ON THE KARNALI AND DETERMINED THAT A HYDROELECTRIC PROJECT COULD BE INSTALLED FOR DOLS. 700 MILLION. THE STUDY IS GATHERING DUST ON MINISTRY SHELVES IN NEW DELHI AND KATHMANDU. IF WORK WERE TO BEGIN TODAY, EXPERTS NOW SAY, THE COST WOULD BE DOLS. 1 BILLION.

16. INDIA, ACCORDING TO KNOWLEDGEABLE NEPALESE OFFICIALS, LIMITED OFFICIAL USE

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IS UNWILLING TO RELY ON NEPAL FOR ITS VITAL NEEDS. "WE WANT A RELATIONSHIP OF INTERDEPENDENCE," SAID A SENIOR CABINET MINISTER. "THEY WANT US TO BE UTTERLY DEPENDENT ON THEM."

17. THE INDIANS, IN TURN, COMPLAIN THAT NEPAL IS AFRAID OF NEGOTIATING SERIOUSLY BECAUSE THE NEPALESE LACK THE CONFIDENCE AND SKILL TO COMMIT THEMSELVES TO SUCH A MAJOR UNDERTAKING. BOTH EXPLANATIONS CONTAIN LARGE GRAINS OF TRUTH. MEANWHILE, NOTHING IS DONE. INDIA CONTINUES TO HUNGER FOR POWER AND WATER; NEPAL CONTINUES TO HUNGER FOR INCOME.

18. WITHOUT A BASIC NEPALESE-INDIAN UNDERSTANDING, NO THIRD PARTIES ARE WILLING TO HELP FINANCE THE

PROJECT. THEY NEED ONLY LOOK AT ANOTHER NEPALESE-INDIAN WATER PROJECT ON THE KOSI RIVER, WHICH RUNS FROM EASTERN NEPAL INTO BIHAR STATE, TO SEE WHAT COULD HAPPEN TO THEIR MONEY.

9. THE PROJECT HAS BEEN LANGUISHING FOR YEARS AS FIRST ONE SIDE AND THEN THE OTHER MAKES ACCUSATIONS OF FOOT-DRAGGING AND NON-COOPERATION. WHEN THE TWO GOVERNMENTS FELL OUT TWO MONTHS AGO, FOLLOWING ANTI-INDIAN DEMONSTRATIONS IN KATHMANDU, INDIA WITHDREW ITS SENIOR TECHNICIANS FROM THE KOSI PROJECT ALONG WITH ITS AMBASSADOR.

20. POSSIBLE WESTERN FINANCING SOURCES, SUCH AS THE UNITED STATES, ARE PUT OFF NOT ONLY BY PROBLEMS LIKE

THESE BUT ALSO BY THE NEW GEOPOLITICAL JUDGMENT THAT NEPAL IS NO LONGER REQUIRED AS A BUFFER ZONE BETWEEN INDIA AND CHINA.

21. ONE GLOOMY VIEW REPEATED BY A NUMBER OF NEPALESE AND FOREIGNERS IN KATHMANDU THESE DAYS IS THAT THE WEST, AS WELL AS CHINA, HAS DECIDED THAT NEPAL IS INDIA'S TO WORRY ABOUT--AND TO CONTROL.

22. THE POSSIBILITY THAT THE WORLD WOULD STAND BY LIMITED OFFICIAL USE

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WHILE INDIA BRANDED ITS MARK ON NEPAL HAS BEEN FOSTERED IN RECENT MONTHS BY NEW DELHI FLEXING ITS POLITICAL MUSCLE IN SOUTH ASIA.

23. NEPALESE LEADERS EXPRESS NERVOUS RESERVATIONS ABOUT INDIA'S INTENTIONS TO COOPERATE WITH THE KINGDOM FOR THEIR MUTUAL ECONOMIC BENEFIT.

24. "IF YOU LOOK AT PROJECTS LIKE THE KARNALI RIVER FROM AN ECONOMIC VIEWPOINT," SAID A SENIOR FINANCE MINISTRY SOURCE, "YOU'D HAVE TO CONCLUDE THAT BOTH SIDES STOOD TO GAIN A GREAT DEAL. SINCE NOTHING IS HAPPENING, WE'VE GOT TO CONCLUDE THAT THE INDIANS ARE HOLDING BACK FOR STRICTLY POLITICAL REASONS." UNQUOTE. INGERSOLL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, ANNEXATION, DISPUTES, WATER, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Draft Date: 29 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE263450
Document Source: CORE
Document Unique ID: 00
Drafter: RDLORTON:MMK
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740347-0303
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974112/aaaaabbm.tel
Line Count: 216
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 19 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 AUG 2002 by kellew0>; APPROVED <12 DEC 2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: IMONS ARTICLE ON INDO-NEPAL WATER PROBLEMS
TAGS: PFOR, NP, US, (SIMONS, LEWIS)
To: KATHMANDU
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005